

Commission Extends Important Policy to Include Natural Gas Exploratory Wells

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June 15, 2010

Media, PA —Congressman Joe Sestak (PA-07) applauded the Delaware River Basin Commission (DRBC) for effectively ensuring that parts of the Marcellus Shale within its jurisdiction will only be drilled when we can best ensure the safety of our communities. In a decision publicized Monday, the Commission ruled that companies wishing to drill exploratory wells to tap into Marcellus Shale – done through a specialized method known as fracking – will need approval of the DRBC. The Commission has further determined that it will not issue more permits until proper safety regulations are put in place. DRBC had previously established this policy for production wells, which are drilled when a location is known to contain natural gas.

Earlier this month, a blowout of a natural gas well in Clearfield County resulted in gas and harmful drilling liquids being let loose for 16 hours before they were contained. Since 2004, methane related to the natural gas industry has contaminated water wells in at least seven Pennsylvania counties.

“Recent events, from the tragic oil spill in the Gulf of Mexico to the fraudulent activity that contributed to the collapse on Wall Street, have reminded us all that we cannot depend on industry to police itself when our quality of life, present and future, is at stake,” said Congressman Sestak. “The resources of the Marcellus Shale have given us a tremendous economic opportunity, but we must be certain that the environmental, health, and property safeguards in place are strong enough to protect Pennsylvanians. I commend Executive Director Carol R. Collier for recognizing the pragmatic approach needed on this issue, which is a path to drilling that most benefits Pennsylvanians, not just the oil and gas companies. As an added benefit, we need some time to train workers in our state to qualify for Marcellus Shale jobs.”

Congressman Sestak wrote a letter to the Environmental Protection Agency (EPA) on June 7, to request greater EPA oversight of the natural gas industry in the Marcellus Shale. This came after the ruptured Clearfield mine spewed explosive gas and contaminated wastewater into the environment and a similar incident in West Virginia injured workers. The Congressman has also co-sponsored the Fracturing Responsibility and Awareness of Chemicals (FRAC) Act, which would place drilling operations using fracture drilling under the regulation of the Safe Drinking Water Act and eliminate the “Halliburton Loophole” that has provided them an exemption since 2005. It would also require the full disclosure of the potentially dangerous fluids being injected into the ground in the process of recovering the natural gas. Congressman Sestak also supported a provision in the Interior Appropriations bill that encourages the Environmental Protection Agency to study how fracking can affect our drinking water supplies.

More information about the Executive Director Determination is available below:

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DRBC EXECUTIVE DIRECTOR DETERMINATION EXTENDED TO INCLUDE NATURAL GAS
EXPLORATORY WELLS

WEST TRENTON, N.J. (June 14) – Delaware River Basin Commission (DRBC) Executive Director Carol R. Collier today announced that she has supplemented her May 19, 2009 determination to include natural gas exploratory wells.

“My 2009 determination that sponsors of natural gas extraction projects in shale formations must obtain commission approval before commencing such projects expressly did not cover wells intended solely for exploratory purposes,” Collier said. “Today, I am extending the provisions of my 2009 determination to include exploratory wells, subject to reservations for exploratory well projects already approved by the states on or before June 14, 2010.”

By this supplemental determination, all natural gas well project sponsors, including the sponsors of natural gas well projects intended solely for exploratory purposes, must first apply for and obtain commission approval before commencing any natural gas well project for the production from or exploration of shale formations within the drainage area of Special Protection Waters in the Delaware River Basin.

“For the purpose of this determination, any natural gas well drilled in or through shale is assumed to be targeting a shale formation and is subject to this determination, unless the project sponsor proves otherwise,” Collier added. All other aspects of the 2009 determination remain in effect.

Today’s action recognizes the risks to water resources, including ground and surface water that the land disturbance and drilling activities inherent in any shale gas well pose. “In light of the commission’s May 5, 2010 decision to finalize natural gas regulations before considering project approvals, this supplemental determination removes any regulatory incentive for project sponsors to classify their wells as exploratory wells and install them without DRBC review before the commission’s natural gas regulations are in place,” Collier said. “It thus supports the commission’s goal that exploratory wells do not serve as a source of degradation of the commission’s Special Protection Waters.”

“Where entities have invested in exploratory well projects in reliance on my May 2009 determination and information from DRBC staff, there are countervailing considerations that favor allowing these projects to move ahead,” Collier stated in her supplemental determination. “I am informed that since May of 2009, Pennsylvania has issued a limited number of natural gas well drilling permits within the Delaware River Basin targeting shale formations, while New York State has not issued any natural gas well permits targeting shales in the basin since that date. In contrast to the thousands of wells projected to be installed in the basin over the next several years, the risk to basin waters posed by only the wells approved by Pennsylvania since May 2009 are comparatively small. Not only are these wells subject to state regulation as to their construction and operation, but they continue to require commission approval before they can be fractured or otherwise modified for natural gas production. In light of these existing safeguards and the investment-backed expectations of the sponsors of these projects, this supplemental determination does not prohibit any exploratory natural gas well project from proceeding if the applicant has obtained a state natural gas well permit for the project on or before June 14, 2010.”

Most of the shale formations that may be subject to horizontal drilling and hydraulic fracturing techniques requiring large volumes of water in the basin are located within the drainage area to DRBC's designated Special Protection Waters (SPW). The commission's SPW program is designed to prevent degradation in streams and rivers considered to have exceptionally high scenic, recreational, ecological, and/or water supply values through stricter control of wastewater discharges, non-point pollution control, and reporting requirements. Coverage of the DRBC's SPW anti-degradation regulations includes the 197-mile non-tidal Delaware River from Hancock, N.Y. south to Trenton, N.J. and the land draining to this stretch.

Any person adversely affected by this action may request a hearing by submitting a request in writing to the commission secretary within 30 days of the date of this supplemental determination in accordance with the DRBC's Rules of Practice and Procedure.

The DRBC was formed by compact in 1961 through legislation signed into law by President John F. Kennedy and the governors of the four basin states with land draining to the Delaware River (Delaware, New Jersey, New York, and Pennsylvania). The passage of this compact marked the first time in our nation's history that the federal government and a group of states joined together as equal partners in a river basin planning, development, and regulatory agency.

Additional information, including the complete supplemental determination, can be found on the commission's web site at www.drbc.net.

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on

Terrorism.” He served as President Clinton’s Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. Congress.